



2014

INVESTMENT REPORT

COMMONWEALTH OF MASSACHUSETTS

PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION



UPDATED JULY 2015

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Joseph E. Connarton

Executive Director

Public Employee Retirement Administration Commission

Five Middlesex Avenue

Suite 304

Somerville, MA 02145

Phone 617 666 4446

Fax 617 628 4002

TTY 617 591 8917

Web www.mass.gov/perac





LETTER FROM THE | EXECUTIVE DIRECTOR

We are pleased to release this Investment Report for 2014. Following the adoption of Chapter 68 of the Acts of 2007 the Public Employee Retirement Administration Commission (PERAC) began issuing an Investment Report containing investment and funding results prior to the issuance of our Annual Report which contains a more exhaustive analysis of the activities of the Massachusetts' public pension systems. Although we had dispensed with that publication in the last few years we are reinstituting that approach. Chapter 68 of the Acts of 2007 mandates that systems that do not meet certain investment and funding standards transfer assets to the Pension Reserves Investment Trust Fund (PRIT) to be invested by the Pension Reserves Investment Management Board (PRIM). In light of the impact that these results may have on some systems, the Commission believes that it is imperative that this data be disseminated as soon as possible. We anticipate that the full Annual Report for 2014 will be ready for distribution in the early summer.

The two comparative components established under Chapter 68 are funded ratio and 10 year investment performance. The funded ratio standard is 65% and, based on investment performance results for 2014, the investment standard is 5.01% (PRIM 10 year return 7.01% minus 2.00%).

PERAC, in Memo #35, 2007, outlined the principles that it would apply in conducting analysis pursuant to that law. It is suggested that Boards review those principles.

This report delineates investment returns for several periods: 2014, 2010-2014 inclusive, 2005-2014 inclusive, and since inception through 2014. The funded ratios are as of the date of the most recent valuation available to PERAC.

This Report is the result of the efforts of the PERAC Investment Unit and particularly Senior Investment Analyst Vicky Marcorelle and Investment Analyst Veronica Colon.

I hope you find the Report informative and helpful as you assess the state of our retirement systems.

Sincerely,

A handwritten signature in black ink that reads "Joseph E. Connarton". The signature is written in a cursive, flowing style.

Joseph E. Connarton
Executive Director

2014 RETURNS & ANNUALIZED PAST RETURNS (IN PERCENT) | FUNDED RATIOS

	Return (2014)	5-Year Return	10-Year Return	30-Year Return	Funded Ratio	Date of Most Recent Valuation
ADAMS	1.10%	7.27%	4.95%	8.08%	76.7%	01/14
AMESBURY	8.14%	9.97%	6.09%	8.15%	53.6%	01/14
ANDOVER	8.13%	10.08%	5.61%	8.53%	48.3%	01/14
ARLINGTON	8.19%	9.92%	4.87%	8.56%	49.3%	01/14
ATTLEBORO	6.32%	11.26%	7.22%	9.18%	65.4%	01/14
BARNSTABLE COUNTY	8.30%	10.12%	6.00%	7.60%	57.4%	01/14
BELMONT	6.69%	10.48%	8.27%	9.63%	51.2%	01/14
BERKSHIRE COUNTY	8.16%	9.97%	7.04%	9.22%	77.6%	01/13
BEVERLY	8.18%	10.23%	5.38%	8.76%	51.6%	01/14
BLUE HILLS REGIONAL	8.18%	10.04%	7.12%	8.87%	71.0%	01/14
BOSTON (CITY)	4.93%	9.39%	6.95%	9.17%	70.2%	01/14
BOSTON (TEACHERS)	8.14%	N/A	N/A	N/A	41.3%	01/14
BRAINTREE	5.92%	8.81%	6.57%	8.89%	65.8%	01/14
BRISTOL COUNTY	5.50%	10.16%	6.82%	9.12%	61.4%	01/14
BROCKTON	6.12%	8.75%	5.63%	8.96%	67.2%	01/14
BROOKLINE	7.01%	8.52%	5.78%	8.84%	55.7%	01/14
CAMBRIDGE	6.73%	11.06%	7.04%	9.55%	79.1%	01/14
CHELSEA	8.23%	10.01%	6.90%	8.10%	53.0%	01/13
CHICOPEE	7.37%	11.48%	7.21%	8.86%	67.4%	01/14
CLINTON	8.29%	9.75%	5.79%	7.83%	60.3%	01/13
CONCORD	9.63%	10.52%	7.00%	8.83%	81.0%	01/14
DANVERS	2.65%	8.70%	5.98%	8.22%	55.5%	01/14
DEDHAM	8.24%	10.17%	7.14%	9.76%	80.2%	01/14
DUKES COUNTY	8.97%	10.87%	7.32%	7.87%	68.6%	01/14
EASTHAMPTON	8.23%	10.06%	7.06%	8.43%	70.6%	01/14
ESSEX REGIONAL	9.33%	10.55%	6.24%	8.94%	48.4%	01/14
EVERETT	8.17%	10.24%	6.86%	8.62%	42.8%	01/14
FAIRHAVEN	8.25%	10.07%	7.05%	9.54%	73.6%	01/14
FALL RIVER	8.11%	9.99%	5.84%	8.54%	40.2%	01/13
FALMOUTH	6.98%	10.92%	6.61%	9.23%	59.8%	01/14
FITCHBURG	8.09%	9.53%	5.65%	7.76%	42.5%	01/14
FRAMINGHAM	8.25%	10.07%	7.08%	9.51%	67.4%	01/14
FRANKLIN REGIONAL	8.42%	11.39%	7.25%	8.59%	69.8%	01/14
GARDNER	8.11%	10.06%	7.05%	9.63%	56.4%	01/14
GLOUCESTER	8.24%	10.04%	6.22%	9.06%	44.6%	01/14
GREATER LAWRENCE	5.51%	9.70%	6.95%	7.70%	86.9%	01/13

2014 RETURNS & ANNUALIZED PAST RETURNS (IN PERCENT) | FUNDED RATIOS

	Return (2014)	5-Year Return	10-Year Return	30-Year Return	Funded Ratio	Date of Most Recent Valuation
GREENFIELD	8.24%	10.22%	6.60%	8.67%	54.2%	01/13
HAMPDEN COUNTY REGIONAL	8.32%	9.84%	5.91%	8.78%	47.2%	01/14
HAMPSHIRE COUNTY	5.62%	9.13%	6.44%	8.46%	56.6%	01/14
HAVERHILL	8.16%	10.18%	7.13%	10.27%	49.4%	01/14
HINGHAM	7.21%	9.16%	6.64%	9.34%	68.1%	01/14
HOLYOKE	7.37%	11.94%	6.78%	9.57%	58.1%	01/14
HULL	8.23%	9.97%	7.04%	8.05%	54.0%	01/14
LAWRENCE	8.15%	10.03%	5.81%	7.92%	44.6%	01/14
LEOMINSTER	7.19%	10.63%	6.98%	8.77%	79.2%	01/14
LEXINGTON	7.02%	8.57%	6.16%	8.97%	82.3%	01/14
LOWELL	8.17%	9.90%	6.83%	9.32%	53.0%	01/13
LYNN	8.46%	10.07%	5.74%	8.15%	41.9%	01/13
MALDEN	12.27%	11.18%	8.29%	10.08%	70.3%	01/14
MARBLEHEAD	8.26%	10.11%	7.10%	9.45%	67.0%	01/14
MARLBOROUGH	6.06%	9.08%	6.41%	8.61%	66.2%	01/13
MA HOUSING FINANCE (MHFA)	4.66%	8.62%	5.41%	7.63%	79.7%	01/13
MASSPORT	6.78%	9.65%	6.83%	9.25%	89.4%	01/14
MA TEACHERS RETIREMENT SYSTEM (MTRS)	8.26%	10.16%	7.12%	9.70%	56.3%	01/14
MA WATER RESOURCES AUTHORITY (MWRA)	4.97%	9.92%	7.43%	8.38%*	98.3%	01/15
MAYNARD	9.93%	10.65%	6.23%	8.11%	64.4%	01/13
MEDFORD	6.13%	8.73%	6.43%	9.08%	61.0%	01/14
MELROSE	8.10%	9.71%	6.23%	8.58%	53.6%	01/13
METHUEN	8.66%	10.78%	5.56%	8.10%	46.6%	01/14
MIDDLESEX COUNTY	7.96%	9.85%	6.28%	8.58%	44.0%	01/14
MILFORD	8.30%	9.82%	5.27%	8.37%	55.8%	01/13
MILTON	8.19%	10.11%	6.90%	9.61%	71.3%	01/13
MINUTEMAN REGIONAL	7.99%	9.88%	6.97%	9.70%	89.9%	01/13
MONTAGUE	8.17%	10.07%	7.06%	9.34%	73.6%	01/14
NATICK	8.01%	10.96%	5.74%	8.28%	61.1%	01/13
NEEDHAM	8.14%	9.92%	6.99%	9.89%	67.9%	01/14
NEW BEDFORD	6.62%	9.75%	6.86%	8.23%	42.5%	01/14
NEWBURYPORT	8.17%	9.98%	7.00%	8.39%	60.8%	01/14
NEWTON	8.18%	9.90%	6.00%	8.80%	50.8%	01/15
NORFOLK COUNTY	5.46%	10.11%	6.40%	8.85%	55.8%	01/14
NORTH ADAMS	12.28%	11.82%	8.74%	9.98%	64.7%	01/13
NORTH ATTLEBORO	8.02%	11.15%	6.59%	8.81%	71.9%	01/13

*Based on 29-year return

2014 RETURNS & ANNUALIZED PAST RETURNS (IN PERCENT) | FUNDED RATIOS

	Return (2014)	5-Year Return	10-Year Return	30-Year Return	Funded Ratio	Date of Most Recent Valuation
NORTHAMPTON	12.91%	11.57%	8.58%	9.77%	63.0%	01/14
NORTHBRIDGE	8.20%	10.17%	7.10%	9.58%	64.6%	01/14
NORWOOD	5.86%	8.97%	7.08%	9.28%	77.0%	01/14
PEABODY	8.20%	10.13%	5.79%	8.81%	49.6%	01/14
PITTSFIELD	8.13%	10.17%	5.68%	8.35%	41.9%	01/13
PLYMOUTH	6.01%	10.33%	6.78%	8.97%	48.3%	01/13
PLYMOUTH COUNTY	5.00%	10.03%	6.40%	9.35%	50.5%	01/13
PRIM BOARD	8.16%	10.05%	7.01%	9.78%	NOT APPLICABLE	
QUINCY	5.43%	8.71%	5.84%	8.40%	46.7%	01/14
READING	8.27%	10.14%	7.14%	9.50%	72.0%	07/13
REVERE	8.14%	9.79%	6.84%	8.54%	51.8%	01/13
SALEM	7.96%	9.57%	5.47%	8.28%	50.7%	01/14
SAUGUS	8.17%	10.11%	7.10%	9.44%	64.3%	01/13
SHREWSBURY	9.64%	11.09%	7.09%	9.35%	72.1%	01/14
SOMERVILLE	6.39%	11.55%	7.67%	9.21%	57.7%	01/13
SOUTHBRIDGE	8.17%	9.35%	4.68%	8.17%	50.8%	01/14
SPRINGFIELD	8.29%	10.07%	6.29%	8.53%	27.0%	01/14
STATE	8.26%	10.16%	7.12%	9.69%	67.5%	01/15
STONEHAM	8.26%	10.11%	7.10%	9.00%	64.5%	01/14
SWAMPSCOTT	9.23%	9.85%	6.54%	9.29%	43.7%	01/13
TAUNTON	7.82%	10.80%	6.98%	9.87%	65.6%	01/14
WAKEFIELD	8.25%	10.18%	7.12%	9.90%	63.5%	01/14
WALTHAM	9.07%	10.76%	6.14%	8.86%	50.9%	01/13
WATERTOWN	7.16%	9.72%	6.11%	8.46%	63.3%	01/13
WEBSTER	6.76%	10.57%	6.84%	8.32%	50.7%	01/14
WELLESLEY	8.29%	10.15%	6.46%	10.22%	67.5%	01/13
WEST SPRINGFIELD	12.29%	11.59%	6.89%	8.52%	55.2%	01/14
WESTFIELD	8.44%	11.08%	6.96%	8.95%	63.1%	01/13
WEYMOUTH	6.18%	10.22%	6.81%	10.12%	64.6%	01/14
WINCHESTER	8.34%	8.24%	6.34%	9.28%	77.4%	01/13
WINTHROP	8.23%	9.60%	6.80%	8.83%	69.9%	01/13
WOBURN	7.01%	10.67%	7.24%	9.63%	64.6%	01/14
WORCESTER	5.05%	8.99%	6.38%	9.03%	65.8%	01/14
WORCESTER REGIONAL	8.63%	9.67%	5.49%	8.34%	44.9%	01/14
COMPOSITE	7.81%	10.08%	6.98%	9.43%	NOT APPLICABLE	



COMMONWEALTH OF MASSACHUSETTS
PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

FIVE MIDDLESEX AVENUE, SUITE 304 | SOMERVILLE, MA 02145
PH 617-666-4446 | FAX 617-628-4002
TTY 617-591-8917 | WEB www.mass.gov/perac